



North Carolina Department of Health and Human Services  
Division of Social Services

325 North Salisbury Street • Raleigh, North Carolina 27699-2439  
Courier # 56-20-25-MS# 2439

Beverly Eaves Perdue, Governor  
Lanier M. Cansler, Secretary

Sherry S. Bradsher, Director  
(919) 733-3155

**May 2, 2011**

**DEAR COUNTY DIRECTOR OF SOCIAL SERVICES**

**ATTENTION: CHILD WELFARE PROGRAM MANAGERS AND SUPERVISORS  
CHILD WELFARE WORKERS**

**SUBJECT: PREPARATION FOR FEDERAL IV-E ELIGIBILITY REVIEW**

This is in follow-up to the Dear County Director letters CWS-19-2010 dated August 31, 2010 and CWS-02-2011 dated January 14, 2011, regarding preparations for the upcoming Federal IV-E Eligibility Audit. We informed you in both letters that our next Federal Title IV-E Eligibility Review would occur during the week of July 18, 2011. The Federal government will assess the State's adherence to Title IV-E eligibility criteria with this review. The period under review was identified as October 1, 2010 through March 30, 2011.

The case listing from ACF should be received sometime in mid-May. This list will include 80 cases for review and 20 cases for an over sample. You will be notified with a list of the cases from your county as quickly as possible. Please note that each case will be assigned a review number. In accordance with ACF procedures, the review number will need to be maintained throughout the process. One of your regional Children's Programs Representatives (CPR) will be contacting you soon after you have received the list to work with you in reviewing each case using the Federal IV-E monitoring tool. Please take special care with the following:

- Each court order must be included in the record with DSS and GAL reports attached as appropriate. This is often critical to demonstrating ongoing eligibility.
- The DSS-5120 is critical. Make sure that it is thoroughly completed, including budget calculations.
- Each child's record should include a placement log that contains each placement of the child. If any placement was considered a respite placement, please make sure it is identified as such.

The Division will be pulling the payment histories from the Child Placement and Payment System for all 100 cases listed. Additionally, the state Division of Social Services will provide the documentation necessary to verify payments are made to fully licensed facilities. This will be done so that county staff may focus on verifying and preparing the documentation for the children's records. Counties will continue to be expected to maintain appropriate licensure materials.

We would ask that counties organize IV-E materials in a separate jacket using the attached document as a guide although the entire record will need to be available for the review. Plans for getting the physical county records from the county to the Albermarle Building and returned safely to you will be developed with county staff and the CPRs. We are asking that all county case records be received in the Albemarle building no later than Friday, July 1, 2011.

Please remember that the ramifications for this review are extremely serious for our state. Out of a sample of 80 cases, the error threshold for this review is 4 cases. Any case found in error will be subject to disallowance of Federal Financial Participation (FFP) for both maintenance costs and for associated IV-E Administrative costs. If the state exceeds the error threshold of 4 cases, the state (and ultimately, the counties) will be subject to additional financial sanctions and be required to implement a program improvement plan.

If you have questions or need clarification please contact one of the CPRs or Susan Sanderson ([susan.sanderson@dhhs.nc.gov](mailto:susan.sanderson@dhhs.nc.gov)) at 910.293.4356. I recognize that we are asking a great deal from you and your staff in preparation for this federal review. However, if we can adequately prepare, we will be in compliance with regulations and be better prepared for ongoing compliance.

Sincerely,

A handwritten signature in blue ink that reads "Kevin Kelley". The signature is written in a cursive style with a large initial "K".

Kevin Kelley, Interim Section Chief  
Child Welfare Services

Attachment: [Record Organization of IV-E Materials](#)

cc: Sherry S. Bradsher  
Local Business Liaisons Managers  
Child Welfare Services Team Leaders  
Children' Services Program Representatives  
Hank Bowers

**CWS-10-11**